

SUPER SALES AGENCIES LIMITED

COIMBATORE



18th Annual Report 1999-2000

SUPER SALES AGENCIES LIMITED

Registered Office :
34-A, Kamaraj Road, COIMBATORE - 641 018.

BOARD OF DIRECTORS :

Sri R. Venkatrangappan (Chairman)
Sri Ramesh Rudrappan
Sri C.B. Kariappa
Sri Ravi Sam
Sri Sanjay Jayavarthanavelu
Sri R.V.M. Kesavachandra Rau (Director - Textiles)

COMPANY SECRETARY :

Sri A. Prabhakar

AUDITORS :

M/S. S. KRISHNAMOORTHY & CO.,
Chartered Accountants

BANKERS :

INDIAN OVERSEAS BANK

REGISTRARS AND SHARE TRANSFER AGENTS :

S.K.D.C Consultants Ltd.
11, Street No. 1
S.N. Lay out
Coimbatore - 641 012

SUPER SALES AGENCIES LIMITED

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NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the 18 th Annual General Meeting of the shareholders of the Company will be held at 10.30 A.M. on Wednesday the 19th July, 2000 at "Nani Kalai Arangam", Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Reports of Auditors' and of the Directors' and the Profit & Loss Account for the year ended March 31, 2000 and the Balance Sheet as on that date.
2. To appoint a Director in the place of Sri R. Venkatrangappan, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri C.B. Kariappa, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED that Sri R.V.M. Kesavachandra Rau who was appointed on 18.02.2000 as an Additional Director of the Company by the Board of Directors pursuant to provisions contained in the Article 23 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 be appointed as a Director of the Company.

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution:

RESOLVED that pursuant to Sections 198, 269, 309, 311, 316, 349, 350 and Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, or statutory modification or amendment and re-enactment thereof, approval be and is hereby accorded to the appointment of Sri R.V.M. Kesavachandra Rau as "Director - Textiles" and payment of a consolidated salary of Rs. 85,000/- (Rupees eighty five thousand only) per month with effect from 01.04.2000 for a period of 18 months upto 30.09.2001.

RESOLVED FURTHER that Sri R.V.M. Kesavachandra Rau, "Director - Textiles" shall be entitled to reimbursement of all actual expenses incurred in the course of Company's business but shall not be eligible for any other payment and/or contribution to Provident fund, Gratuity, Superannuation and/or such other benefits which other employees of the Company are/may become entitled to.

SUPER SALES AGENCIES LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

According to provisions of the article 23 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 Sri R.V.M. Kesavachandra Rau will hold office upto the date of this Annual General Meeting. As required under Section 257 of the said Act notice has been received from a member signifying the intention to propose Sri R.V.M. Kesavachandra Rau as Director. He is subject to retirement by rotation.

In view of his wide experience, it is desirable that the Company avails of his services as member of the Board.

Your Directors recommend his appointment as a "Director". Except Sri R.V.M. Kesavachandra Rau, none of the Directors is, in any way, concerned or interested in this resolution.

ITEM No. 6

At the Board Meeting held on 09.05.2000 it was resolved to pay remuneration to Sri R.V.M. Kesavachandra Rau, Director - Textiles with effect from 01.04.2000 for a period of 18 months upto 30.09.2001.

Sri R.V.M. Kesavachandra Rau is also the Managing Director of M/s Textool Company Limited. As per Section III of Part II to Schedule XIII, a managerial person, subject to Section I & II of Schedule XIII, can draw remuneration from one or both the Companies, provided that the total remuneration drawn from the Companies does not exceed the higher maximum limit admissible from any one of the companies for which he is a managerial person.

Sri R.V.M. Kesavachandra Rau has been associated with our Group Companies for a long time. The Board is confident that under his supervision the Company's textile and yarn processing divisions would achieve higher growth.

Taking into consideration the responsibilities cast upon him and the effective capital of the Company, the Board of Directors have fixed the remuneration as in item No. 6 and recommend this resolution for your approval.

Except Sri R.V.M. Kesavachandra Rau, none of the Directors is in any way, concerned or interested in this resolution.

By Order of the Board

Coimbatore

A. Prabhakar

9th May, 2000

Company Secretary

Notes :

1. A member who is entitled to attend and vote at the above meeting is entitled to appoint a proxy and vote instead of himself and such proxy need not be a member of the Company.
2. The instruments appointing the proxy should be lodged with the Company not less than fortyeight hours before the scheduled commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 1st July, 2000 to 19th July, 2000 (both days inclusive).
4. Members are requested to communicate their change of address, if any, quoting their folio numbers to our Registrars and Share Transfer Agents, S.K.D.C. Consultants Ltd., No. 11, Street No. 1, S.N. Layout, Tatabad, Coimbatore - 641 012.
5. Pursuant to section 205 A of the Companies Act, 1956, all unclaimed dividends upto the Company's financial year ended 31st March, 1995 (paid in 1995) have been transferred to the "General Revenue Account" of the Central Government.

DIRECTORS' REPORT

Your Directors present the annual report together with audited accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	1999-2000	1998-1999
	(Rs. In lacs)	
Turnover	2,247.63	3,302.52
Commission Income	387.69	348.95
Other Income	106.66	159.69
Profit/(Loss) before Interest & Depreciation	302.96	380.03
Less: Interest	129.88	184.82
Profit/(Loss) before Depreciation	173.08	195.21
Less: Depreciation	312.33	322.23
Net Profit/(Loss) before extraordinary item(s)	(139.25)	(127.02)

The loss of Rs. 139.25 lacs is proposed to be set off and met out of General Reserve.

DIVIDEND

In the absence of profits, your Directors regret their inability to recommend any dividend.

WORKING OF THE COMPANY:**AGENCY DIVISION**

The commission on sale of textile and CNC machinery improved due to increase in the off-take of textile and CNC machinery.

TEXTILE DIVISION

The cotton spinning industry has not yet, come out of the woods. The prices of yarn continued to remain soft throughout the year, while the prices of cotton did not show any signs of easing. Power charges continued to mount. Other overheads, which are within the control of the management, were kept under control. The cumulative effect of all these factors is the resultant net loss of the Company.

Apart from the general condition in the industry, there have been certain specific problems, which your company has faced during the year in its Textile Division.

In one of the units, namely, G.K.D. Textiles, the productivity of the workforce was not in accordance with the workload agreement, which they had agreed to earlier and in respect of which, there is an agreement in place. Due to under-performance, action had to be taken, which resulted in the workmen in a particular department resorting to stoppage of work. The department where the work was stopped was critical. Since in the manufacture of yarn, the departments are interlinked, the stoppage of work in one department resulted in stoppage of work in all other departments. As a result the working of the unit came to a grinding halt on 17.6.1999.

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After various rounds of discussions and negotiations, a view emerged that the workmen will be receptive to the idea of a Voluntary Retirement Scheme. Accordingly, a scheme was announced and 214 workers opted for the same and the remaining number of workers are 142. The cumulative effect of the above, affected the performance of this unit.

Negotiations are going on with the workers for a quick settlement. Once the operations recommence, the unit will go in full production, without any interruptions.

In so far as the second unit of the Company, namely Jay Textiles, the general conditions which affected the cotton spinning industry, affected the performance of this unit also. Here efforts are now being taken to ensure that the entire production is earmarked for exports either directly or through merchant exporters and your Company is confident that substantially better results could be achieved during the current year in this particular unit.

INDUSTRIAL RELATIONS

A Voluntary Retirement Scheme (VRS) was introduced during the year and 237 employees opted for it. The total outgo on this account was Rs. 166.38 Lacs.

FIXED DEPOSIT

As at the close of the year 15 deposits amounting to Rs. 1,39,000/- remained unclaimed. Subsequently 3 deposits amounting to Rs. 45,000/- have been renewed. Reminders have been sent to other depositors for suitable instructions.

DIRECTORS

The following Directors retire by rotation at the ensuing annual general meeting who being eligible offer themselves for reappointment:

1. Sri. R. Venkatrangappan
2. Sri. C.B. Kariappa

Sri. R.V.M. Kesavachandra Rau was appointed as an additional director on 18.02.2000. He will hold office till the conclusion of the ensuing annual general meeting. Notice has been received from a member proposing Sri R.V.M. Kesavachandra Rau as candidate for the office of Director at the ensuing annual general meeting along with the necessary deposit. Necessary resolution is placed before you for your approval.

LISTING

Your company's shares are listed in Madras and Mumbai stock exchanges and the listing fees have been paid.

AUDITORS

M/s. S. Krishnamoorthy & Co., Chartered Accountants, the retiring auditors have given the certificate pursuant to Section 224(1-B) of the Companies Act., 1956 and are eligible for reappointment.

STATEMENT UNDER SEC. 217 (2A)

The particulars are enclosed.

CONSERVATION OF ENERGY

Various electrical equipments are being constantly monitored and overhauled in order to ensure that the consumptio of energy is always at peak efficiency levels. The Generators are being overhauled periodically and maintained in good order to ensure optimum output. Energy consumption particulars as required by Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are attached.

GENERAL

The Directors acknowledge the support given by the Principals M/s. Lakshmi Machine Works Ltd., as also the assistance given by the bankers of the Company. Directors also wish to place on record, the co-operatio extended by the employees at various levels.

Coimbatore
9th May, 2000

By Order of the Board

R. VENKATRANGAPPAN
Chairman